



**NSP**

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COBB COUNTY NEIGHBORHOOD STABILIZATION PROGRAM

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## FREQUENTLY ASKED QUESTIONS

Wondering how the Cobb County Neighborhood Stabilization Program works? Interested in participating in the program? This document provides answers to many questions you may have about our program. For those participating in the program, you will be required to read through this document and submit the final Acknowledgement Page during the enrollment process.

### Q. How do I know if I meet the income qualifications?

A. Please review the income chart and, if you fall under the maximum Area Median Income (AMI) for your family size, contact the NSP office for information on how to participate in our program.

Family Size	<50% AMI *	51- 80% AMI *	81 - 120% AMI *
1	\$24,300	\$38,850	\$58,200
2	\$27,750	\$44,400	\$66,550
3	\$31,200	\$49,950	\$74,850
4	\$34,650	\$55,450	\$83,150
5	\$37,450	\$59,900	\$89,800
6	\$40,200	\$64,350	\$96,450
7	\$43,000	\$68,800	\$103,100
8	\$45,750	\$73,200	\$109,750

\* This is the total household income, which includes income from all sources and represents all parties age 18 years or older who will reside in the home. Failure to notify us of persons 18 or older who are living in your household will be in violation of our eligibility requirements and grounds for disqualification.

### Q. What are the other eligibility qualifications?

- A. In order to be eligible, the buyers must:
1. Be a U.S. citizen, qualified alien or a non-immigrant.
  2. Be able to qualify for a mortgage.
  3. Attend an 8-hour HUD approved homebuyer education class.
  4. Home must be your primary residence.
  5. Meet income qualifications. *See chart above.*

### Q. If I meet the eligibility qualifications, how do I apply for this program?

A. It is as easy as 1, 2, 3, 4. The first step is to complete the Buyer Questionnaire and submit it to the NSP office. From there, you will be guided through the process. All eligibility process documents can be found on our website. Or, you may contact our office.

### Q. Do I have to live in Cobb County to participate in the program?

A. No. You do not have to live in Cobb County to participate in our program. However, the Cobb County NSP is designed to purchase homes throughout Cobb County exclusively.

### Q. Is there an application fee for participating in the program?

A. No. There is no application fee to participate in our program.

### Q. Is there a deadline to submit an application to participate in the program?

A. No. At this time our program is continuing to accept applications and we currently do not have any submission cutoff date.

## Frequently Asked Questions - continued

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### **Q. What benefits are available to the buyer?**

#### **A. Buyers will benefit in the following ways:**

- “Move-in” ready home
- Down payment and closing costs assistance (Maximum combined total of \$10,000)\*
- Forgivable second mortgage for gap financing – (Maximum \$20,000)\*<sup>1</sup>
- Not just for first-time homebuyers
- Homeownership education

*\* Restrictions apply & funding assistance has a 15-year note*

*<sup>1</sup> Income eligibility requirement and needs based only*

### **Q. Once I complete all NSP eligibility requirements and have submitted all the required documents, when will I find out how much funding assistance I will be awarded?**

#### **A. Since the amount of award money is based on the final sale price of the NSP home and the buyer's eligibility, we cannot determine the amount an eligible buyer will be awarded until they have submitted a binding contract on a NSP home and the final cost of the home has been determined, which will be when the final appraisal has been completed. All eligible buyers will be awarded up to 50% of the minimum down payment requirement\* and up to 3.5% of closing costs. After a full audit of financial need, eligible buyers that fall 50% or below the area median income (AMI) may also receive a forgivable soft second mortgage to cover gap financing (maximum of \$20,000).\* Please contact our office for more details.**

*\* Restrictions apply & funding assistance has a 15-year note*

### **Q. What is Area Median Income (AMI)? And who determines the AMI?**

#### **A. Each year, HUD determines the annual median incomes for all states, counties, and metropolitan statistical area and those income determinations are used to determine whether households are eligible for NSP assistance.**

### **Q. How long does the NSP eligibility process take to complete?**

#### **A. It depends on whether or not you have already become pre-qualified for a mortgage through a lender that has approved the Cobb County NSP and its financial assistance documentation. The NSP eligibility process itself can be completed within a matter of days; however, if you need to become pre-qualified for a mortgage, that process may take longer.**

### **Q. Do I have to become eligible to participate in the program in order to purchase a NSP inventory home?**

#### **A. Yes. Since we are funded by HUD, all eligibility requirements must be met to purchase a NSP inventory home. All required documentation must be submitted and evaluated by NSP staff in order to determine a buyer's eligibility to participate in the NSP prior to a contract being accepted on a NSP home.**

### **Q. I do not want any down payment or closing cost assistance. I only want to purchase one of your inventory homes. Do I still need to meet all eligibility requirements, complete the eligibility process and submit all required supporting documentation?**

#### **A. Yes. Whether or not you wish to use NSP funding assistance, you are still purchasing a home that has been purchased and rehabilitated using NSP funding. Therefore, you are required to fulfill all eligibility requirements, complete the eligibility process and submit all requested supporting documentation.**

## **Frequently Asked Questions - continued**

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**Q. I don't want to participate in the Cobb County NSP. I only want to purchase one of your inventory homes. Do I still need to meet all eligibility requirements, complete the eligibility process and submit all required supporting documentation?**

**A.** Yes. If you wish to purchase an NSP inventory home, the home that has been purchased and rehabilitated using NSP funds and, therefore, any person wishing to purchase that home must meet all eligibility requirements, complete the eligibility process and submit all requested supporting documentation.

**Q. I don't meet all eligibility requirements. Can I still purchase a home through the NSP and not take advantage of the funding assistance offered by the program?**

**A.** No. Per HUD regulations and the guidelines of the program, you must meet all eligibility requirements in order to purchase a home through the NSP.

**Q. Do I need to qualify for a mortgage?**

**A.** Yes, buyers should have sound credit and must be able to qualify for a mortgage. Please view our website for a list of lenders who have previously assisted eligible NSP buyers.

**Q. I have bad credit. Can I still participate in this program?**

**A.** Cobb County NSP does not look at your credit when determining your eligibility to participate in our program. However, you are required to qualify for a mortgage in order to participate in our program. Therefore, if your credit prevents you from qualifying for a mortgage, you will not be eligible to participate in our program. Please consult a lender to determine if you are able to qualify for a mortgage.

**Q. I have filed bankruptcy in the past. Can I still participate in this program?**

**A.** Cobb County NSP does not look at your credit history when determining your eligibility to participate in our program. However, you are required to qualify for a mortgage in order to participate in our program. Therefore, if your bankruptcy prevents you from qualifying for a mortgage, you will not be eligible to participate in our program. Please consult a lender to determine if you are able to qualify for a mortgage.

**Q. I am already working with a lender. I do not see my lender on your lender list. Can I still work with my current lender?**

**A.** The lenders provided on our list are the lenders that have approved our program in the past. If your lender is not listed, please have your loan officer contact our office to initiate the approval process. You may continue to work with them in conjunction with our program after they review and approve our program and financial assistance documentation.

**Q. Must I have any money set aside to purchase a home through your program?**

**A.** Yes. All buyers will be expected to cover certain expenses such as fees for an inspection and appraisal of the property before closing. Buyers are also responsible for any additional down payment or closing costs required by their lender that are above the NSP award amount. The NSP award amount will be determined by the sale price of the NSP home, the type of mortgage loan, the buyer's NSP eligibility, as well as other variables. Please speak to your lender for information on the amounts you will be required to contribute at closing.

**Q. Where are the available homes located and how can I view a list of the inventory?**

**A.** Homes available in this program are located throughout Cobb County. The homes are located in priority and high priority areas as determined by a HUD census tract. A list of our available inventory homes can be found on our website – [www.BuyCobb.com](http://www.BuyCobb.com). Also, an inventory eflyer is sent out occasionally to all buyers in our buyer database. To be placed on our buyer database, please contact the NSP office.

## **Frequently Asked Questions - continued**

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**Q. How often is the list of the inventory homes on your website updated?**

- A.** Our website is updated as inventory changes occur. In most circumstances, inventory information is updated on our website the day the change occurs.

**Q. Can I purchase any foreclosed home?**

- A.** No. Eligible buyers much purchase from the list of NSP inventory homes. We buy NSP houses throughout the county based on HUD requirements. After acquisition, we rehabilitate the houses and sell them to NSP eligible buyers. Please contact the NSP office to request a list of available homes.

**Q. Can I bring a home to NSP to be purchased through the program?**

- A.** No. Unfortunately, all homes purchased by the NSP must meet strict HUD guidelines for the program. Each home is thoroughly researched and analyzed before it can be purchased and not all vacant, foreclosed residential properties will be eligible to be purchased by the NSP. NSP makes the decision on which homes to purchase based on HUD requirements and consumer demand. Due to the time it takes to research and analyze a home, we cannot accept homes brought to us by buyers.

**Q. I have already purchased a foreclosed home. Will this program help me rehabilitate my new home?**

- A.** No. The Cobb County NSP has a clear action plan to purchase and rehab vacant, foreclosed residential properties and then we sell the houses to buyers who are eligible to participate in the program. Cobb NSP funding is not designed to assist a buyer in rehabbing their home.

**Q. I have placed a bid on a foreclosed home. Can the NSP provide me with funding assistance to either purchase or rehab the home?**

- A.** No. The program's funding is only available for homes purchased by the NSP.

**Q. I am currently under the threat of foreclosure. Can the NSP assist me so that I may keep my home?**

- A.** No. Unfortunately, the NSP was designed to reintegrate fully foreclosed upon homes back into the market. There are many agencies available to homeowners who are under the threat of foreclosure. A good place to start is the Georgia Department of Community Affairs (DCA):  
<http://www.dca.state.ga.us/housing/Homeownership/programs/foreclosure.asp>

**Q. What happens if I decide to move and rent the home to another person after purchasing a NSP home?**

- A.** The program requires that the NSP home remain the buyer's primary residence for the duration of the 15-year grant period, also known as the "affordability period". If the NSP home discontinues being the primary residence of the buyer, or the buyer sells the NSP home, within the first 15 years, any funding assistance monies received must be returned to Cobb County.

## **Frequently Asked Questions - continued**

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### **Q. Can the Cobb County NSP assist me if I wish to purchase in another county/state?**

- A.** No. The Cobb County NSP is designed to purchase homes throughout Cobb County, Georgia exclusively. If you are interested in participating in a NSP in another county, you will need to contact their office directly and go through their eligibility process separately. Please see HUD's website for a listing of other NSP programs offered throughout Georgia: <http://hudnsphelp.info/index.cfm?do=granteeSearch&stateID=GA^Georgia&granteetype=&granteeName=>

### **Q. My elderly mother lives with us. Do we have to include her in our application process?**

- A.** Yes. Any adult 18 or older who will be residing in the home must be included in the application process. As required by HUD, if they receive any form of income, such as social security or a pension, this income must be included on the NSP Application whether or not they will be included on the mortgage.

### **Q. My lease ends within the next two months. Can I be in a home through your program before it ends?**

- A.** This would depend on several factors. If you have already been pre-qualified for a mortgage, wish to purchase a current NSP inventory home, and are able to complete the eligibility process in a timely manner, including taking the 8-hour HUD approved homebuyer education class, yes it is possible that your lender may be able to complete the transaction within your timeframe. Closing on a property depends mostly on the length of time it takes the lender to process the loan. However, if you have not been pre-qualified for a mortgage, NSP does not currently have an inventory home that you are interested in purchasing, or you are unable to complete the NSP eligibility process in a timely manner, it will probably not be likely to close in your desired timeframe.

### **Q. Are there any deadlines to close on a home through the program?**

- A.** No. There is no deadline to close on a NSP home. However, buyers cannot postpone a closing to fit their own deadlines. Once a buyer's mortgage approval has cleared their lender's underwriting department, the closing must be scheduled as soon as possible.

### **Q. Are both myself and my spouse required to take the 8-Hour HUD approved homebuyer education class?**

- A.** No. Only one of the applicants living in the home is required to attend the class. It is preferred that the primary applicant is the one to attend the class, but that is not a requirement.

### **Q. Can we use our VA home loan with this program?**

- A.** Yes. Please consult your lender for details on how your VA home loan can work in conjunction with our program.

### **Q. Can we use this program in conjunction with other down payment assistance programs?**

- A.** Yes and no. It depends on the program. As long as all NSP policies, procedures and regulations are followed, you fulfill all NSP requirements and submit all required documentation you may use our program in conjunction with other programs. If down payment and/or closing cost assistance is provided by another program, NSP will not award financial assistance; however, the buyer may still be able to purchase the NSP home. Cobb County must be the secondary lien holder on the mortgage. There are some programs that cannot be used in conjunction with our program. Please contact our office to request information regarding the specific program you wish to use in conjunction with the NSP.

## **Frequently Asked Questions - continued**

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**Q. I'm interested in purchasing a NSP home, but the price is too high. Can I request that the NSP not do some or all of the rehabilitation so that I may do the work myself to save money?**

**A.** No. It is a requirement of the program that NSP homes are rehabilitated into move-in ready condition prior to being sold to an eligible participant. The home must also pass inspection requirements prior to being sold. We recommend that you look for homes in a price range which will have a monthly payment you are comfortable with, and not necessarily homes based on what you are pre-qualified for.

**Q. Can I negotiate the sale price of the NSP home?**

**A.** No. NSP must sell the home for the cost to purchase, rehabilitate and sell the home. The sale price of the home is non-negotiable. In order to ensure that our homes are marketable, every 60 days NSP evaluates the market condition and will initiate a principle reduction in the sales price of the home if supportive data indicates a price reduction is necessary.

**Q. Can I request additional rehabilitation work be done on the home?**

**A.** No. NSP is accountable to HUD and Cobb County for all monies spent on work done on every NSP home. Each home has a set budget that must be adhered to in order to meet guidelines for the program. NSP is required by HUD guidelines to rehabilitate the home into move-in ready condition, which may include work such as paint, flooring, cabinets, counters, lighting fixtures, appliances (refrigerators are not included) and landscaping, depending on the condition of the home. Once rehabilitation is complete and the home has passed the final NSP inspection, the home is sold to an eligible buyer in "as-is" condition. Any reasonable additional work requested by the buyer above the budget would increase the sale price of home accordingly, as NSP must sell the home for our cost.

**Q. I live out of state, but will be relocating to Cobb County. Will I still be able to purchase a NSP home?**

**A.** Yes. If you are relocating to Cobb County, you can complete the program's eligibility process via email, fax or mail.

**Q. I will be the only one on the mortgage. Does my spouse/significant other also have to be included in the NSP application process?**

**A.** Yes. When purchasing a NSP home, the household is participating in the program. Eligibility to participate in the program is based on household information; therefore your spouse/significant other would be included in the application process. Additionally, anyone 18 years old or older living in the home would be included when determining income and must provide ID, as well as verify their U.S. residency status.

**Q. How do I get additional information on the Cobb County Neighborhood Stabilization Program?**

**A.** Please contact the NSP office.

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## FAQs DOCUMENT ACKNOWLEDGEMENT

I/We, the undersigned, acknowledge that I/we have received a copy of the Cobb County NSP Frequently Asked Questions document. I/We have fully read and understand the items discussed in the document. If we did not understand an answer, we contacted the NSP office directly and now understand and are satisfied with the answer provided.

Applicant: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Co-Applicant: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

*This acknowledgment must be signed and submitted to the NSP Office along with the other NSP eligibility required forms and document.*

### OFFICE USE ONLY

Received Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

